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21 March 1957

SECTIONAL ANALYSIS OF A PROPOSED BILL
TO AMEND THE CENTRAL INTELLIGENCE AGENCY
ACT OF 1949, AS AMENDED, AND FOR OTHER PURPOSES

SECTION 1.

Under Section 3(a) of the Central Intelligence Agency Act of 1949 the Agency is authorized to exercise certain procurement authorities contained in the Armed Services Procurement Act of 1947. The specific sections of the Armed Services Procurement Act, the authorities of which CIA was authorized to exercise, were incorporated by reference in Section 3(a) of the CIA Act of 1949. Since passage of the CIA Act, additional functions have been assigned to the Agency. This, and added experience, indicate the need to exercise other authorities contained in the Armed Services Procurement Act of 1947.

Under Section 2(c) of the Procurement Act, the Armed Services may negotiate purchases and contracts without advertising in seventeen listed circumstances. The Agency is now authorized by Section 3(a) of the CIA Act to negotiate in ten of these circumstances. It is requested that the remaining negotiation authorities of Section 2(c) be given this Agency.

The Agency has substantial and vitally necessary programs in fields where research and development, standardization of equipment and provision of new or stand-by production facilities are necessities.

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amount of annuity is provided, not as a special reward for the type of service involved, but rather because a more liberal formula is usually necessary to make the earlier retirement, with resultant shorter service, economically feasible.

4. Those major provisions of the CIA Act of 1949 which provide expanded travel authorities are section 5 and section 10 (section 4, by providing that an officer or employee may be assigned or detailed for training purposes also expanded the travel authorities beyond those normally granted to Government agencies by establishing a type of duty station usually unavailable to other agencies).

- a. Section 10(a)(1) is a general provision, included in the Act in lieu of an annual appropriation, to establish a point of reference to which the administrative and fiscal officers of the Agency and other appropriate officers of the Government may look to determine those expenditures authorized for the activities of the Agency. It includes specific authority for reimbursing transportation or travel expenses under certain conditions where such reimbursement is not authorized by general legislation: transportation of employees between their domiciles and places of employment; transportation between home and school of employees' children outside the United States; and, travel and incidental expenses in connection with attendance at professional or scientific meetings.
- b. Section 10(a)(2) is not applicable to travel.
- c. Section 10(b) is the source of the Director's extraordinary authority to expend both vouchered and unvouchered funds regardless of provisions of law to the contrary. This authority has been defined in a Comptroller General's Decision of 21 November 1951 (B-106516) as follows:

"The extraordinary powers granted to the Central Intelligence Agency . . . result solely from the Congressional recognition of the extraordinary functions assigned that Agency . . . It was not contemplated by the sponsors of the bill or by the Congress that this broad authority would be resorted to, or that it even contemplated a disregard of any control with respect to the normal administrative or operating problems which confront the ordinary Government Agency."

It has been the policy of this Agency, reinforced by the above quoted decision, not to exercise the extraordinary authority granted by section 10(b) except in those cases where the contemplated expenditure is clearly related to the extraordinary functions of this Agency. (~~See~~)